WEEKLY ECONOMIC REVIEW

SEPTEMBER 9, 2005

The Canadian dollar hit a 13-year high Friday morning, trading just above 85 cents US. The loonie continues to be supported by favourable economic data and an increase in interest rates.

The Canadian economy added 27,500 jobs in August. Markets responded positively to the Canadian employment report, as it showed a gain of 35,500 full-time jobs last month (part-time employment fell by 8,100). In addition, Canada's unemployment rate remained at 6.8%.

Alberta continued to enjoy Canada's lowest unemployment rate, at 3.9%. While Alberta's August employment declined by 2,000, Alberta's employment was up by 20,100 from August 2004, including a gain of 37,800 full-time jobs.

The Bank of Canada increased its key interest rate by 25 basis points to 2.75% this week, its first increase since October 2004.

Cdn Dollar (C¢/US$)

Sept 9, 2005	85.0¢
Sept 2, 2005	84.2¢
2005-06 YTD	81.4¢

WTI Oil US$/bbl

Sept 8, 2005	$64.49
Sept 1, 2005	$69.47
2005-06 YTD	$57.28

Nymex Natural Gas CS/mcf*

October Contract

Sep 9, 2005	$13.32
Sept 2, 2005	$13.85

*Estimate based on Nymex Futures Market Price

With continued strong economic growth in Canada, the Bank is expected to increase interest rates in the near term.

The price of oil receded slightly this week, with news that all but four refineries affected by Hurricane Katrina were running. Also, the International Energy Agency is releasing more than 60 million barrels of oil from its emergency reserves, including 30 million barrels of oil from the United States.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Building Permits ($ millions)	**July**			
Alberta	829.3	12.7%	29.3%	40.5%
Canada	4,870.9	-3.0%	2.8%	9.3%
Housing Starts (SAAR)[2]	**August**			
Alberta	35,700	0.6%	4.7%	10.3%
Canada	201,000	-17.1%	-18.7%	-2.8%
Rigs Drilling	**August**			
Alberta	407	4.2%	31.7%	12.5%
		Gain/Loss from Previous Month (#)	**Month/Previous Year's Month (Y/Y)**	**Year-to-date[1]**
Employment	**August**			
Alberta	1,787,200	-2,000	1.1%	1.7%
Canada	16,200,700	+27,500	1.5%	1.4%

Source: Statistics Canada and Bureau of Labor Statistics

[1] *Year-to-date 2005 compared to the same time period in 2004. For example: January-July 2005 versus January-July 2004*

[2] *Seasonally Adjusted at Annual Rates*